

Special CommsDay Melbourne Congress Preview issue

In this issue, we explore one of the key topics on the agenda of the Green Telecom Asia Pacific conference at the upcoming CommsDay Melbourne Congress, to be held at the Langham Hotel, Southbank on 1 October – how a carbon-aware economy will impact the telecoms business.

For anyone looking for impacts of climate change on their industry, they need look no further than Australia, whose government has recently proposed a Carbon Pollution Reduction Scheme that includes a carbon ‘cap and trade’ policy. If implemented, the policy will impact corporations across all industries, both as a mandate for measuring their emissions as well as an economic stimulus to reduce their carbon footprint.

Two keynote speakers from the event, Sun Microsystems Asia Pacific CTO Angus MacDonald and Ochre Services CEO Brett O’Riley, offer their views on the topic.

See the conference brochure in this issue.



green telecom

The path to sustainable telecommunications practices

AUGUST 26 2008: Green Telecom is a supplement to all CommsDay regional editions that highlights the move towards sustainable use of telecoms products and services. Editor: Tony Chan at tony@commsdaymail.com
More information can be found at <http://www.greentelecomlive.com>

THIS ISSUE

> Ochre talks about demand drivers for broadband

> Sun talks about Aussie ICT green preparedness

Carbon system to spur bandwidth demand surge

The Australian government’s proposed carbon ‘cap and trade’ system has the potential to radically change the telecoms industry by driving up demand, according to Brett O’Riley, CEO of Perth-based Ochre Services.

As a company that operates in a region where the dominant economic drivers are carbon-intensive heavy industries such as oil and gas and natural resources, Ochre is very close to the situation. With operations in remote and hard to reach and often, inhospitable, areas, these industries are faced with the challenge of getting labour to where it is needed.

“The impact of carbon credits will be what I think a much higher cost of travel for industries. That will be quite a significant impact on the telecoms business,” O’Riley said. “For example, in Western Australia today, there’s a thing called FIFO, which is fly in fly out, so every day, there are between 2,000 and 5,000 workers flying in and out of northern part of Western Australia, which is a pretty unfriendly environment because there’s no particular good infrastructure out there.”

With the pending implementation of carbon cap and trade in the country, the ability to manage their carbon emissions is now one of the biggest challenges for the resource companies that employed these workers, as well as for the region’s governments, which depend on those industries for its economy.

“With the pressure from carbon credits, all the resource companies are looking at ways to help reduce their carbon footprint, and technology is about the only way,” O’Riley told Green Telecom.

The situation is so serious that the region’s government is now exploring the possibility of actually building out a whole city out near where those workers need to be, and investing in infrastructure that offers a good quality of life.

“There’s concern by the Western Australian government that when the carbon credits system is adopted, it might even make these industries uneconomical with their current operational model,” O’Riley said. To provide a solution to sustain those industries, the WA government is even considering the construction of an actual city, instead of the small outback towns currently there today.

“It’s not that bad out there now, and it’s OK if you are single and the money is good,” O’Riley said. “But it’s not a place where you settle down and raise a family at this point.”

BANDWIDTH HUNGRY: In the interim, the most effective solutions are based on communications technologies that can reduce the labour requirements of remote areas and automatic systems and processes previ-



ously carried out by human staff.

According to O'Riley, one such application is a driverless train project being implemented by Rio Tinto, one of the country's largest energy and resources companies, which would allow the company to run its fleet of iron ore trains along a 1,000 kilometre route. Other applications are being developed by the oil and gas industry to transmit data from applications, such as 4D seismic – which monitors the oil flow inside an oil field for extraction, back to centralised management centres in larger cities such as Perth, and even as far as Houston, Texas for data processing and analysis.

One characteristic of this type of applications is that they are bandwidth intensive since they are replacing human eyes and ears in many cases.

Another effect of this trend is that demand for bandwidth is emerging in new and previously underserved regions, O'Riley said, adding that remote oil and gas fields, when automated with the applications, could generate more bandwidth demand than some cities.

Australian corporations unprepared for 'cap and trade' scheme

With the Australian government proposing to implement a carbon cap and trade policy, there is now a growing need for corporations to be aware of their carbon profile, says a senior executive from Sun Microsystems.

In an exclusive interview with Green Telecom, Sun's Asia Pacific Chief Technology Officer, Angus MacDonald says that corporations will begin facing pressures from both the government as well as their customers to develop mechanisms for measuring their environmental impact.

A survey in July of 2,500 IT professionals from 813 organisations in Australia found that only 78% of the companies did not have the ability to measure their carbon emissions. More worryingly, 33% of the respondents have no plans to put practices in place to reduce their emissions.

"I think it's been one of those things because there was no imperative to do it and people were unsure of how they should do it, they just avoided it," MacDonald said. "I think going forward, there's going to be a lot of pressure on them to actually start measuring."

In July, Australia put into effect a National Greenhouse and Energy Reporting Act, which requires the top 400 of Australia's largest corporations to measure and report on their environmental impact. Telstra is among the 400 required to report their carbon emissions.

"Not only will organisations be unable to comply with these new regulations, they are unprepared for carbon trading which is due to be introduced in 2010. This could be a real challenge for the 33 per cent that have no plans," he pointed out.

TOP 1,000 COMPANIES: The proposed scheme will go a step further than the Reporting Act and impose a carbon cap and trade system for the country's top 1,000 or so corporations – those that emit more than 25,000 tonnes of carbon annually – as part of a national program to reduce national carbon emission levels. The Carbon Pollution Reduction Scheme would place caps on the amount of acceptable emissions, with corporations required to purchase credits for excess emissions over those caps

The Department of Climate Change scheme is currently being developed by the government and is scheduled to take effect as early as 2010. Ultimately, the Scheme is intended to reduce Australia's overall emissions to 60% of 2000 levels by 2050.

"I think there is an imperative first of all from a governmental regulation point-of-view going forward that they be able to report on what their carbon footprint looks like. But equally a lot of people have embarked on things like consolidation, and made a lot of use of virtualization, for that they need to measure their starting position," MacDonald added. "I'm detecting already there are a lot of people out in the market place that have spent a fair bit of money on consolidation and virtualization, and now they are not able to really quantify financially, or from a carbon footprint point of view, what the savings they have made because they really didn't know what their costs were to start with."

Sun is hoping to play an active role in the government's consultation process for the proposed Scheme.

"We are working with the government and trying to give them advice from the perspective we've seen in trying to implement these things ourselves elsewhere. We are trying to bring the industry and our customers' experiences to bear and to make sure that, that knowledge is available to them [the government]," he said.

"Internally, we are working very hard to ensure we have the infrastructure and capabilities in place to be able to do the measurement ourselves and to assist in helping customers do the same thing."

POWER SAVINGS: Even without the government's proposed Scheme, corporations are also beginning to see the benefits of going green in order to reduce their operating costs, in particular, for power intensive environments such as corporate data centres.

"I think that there are some people who think the whole green IT thing is a beefed up, but I think there are more who understand – whether they believe in global warming or not," he added. "Global warming to a lot of corporates is not part of the issue – the issue for them is that they are spending millions of dollars in powering the equipment, millions of dollars on cooling it – there are real financial benefits in actually greening their data centres."



In addition to simply saving money through efficiencies, growing social awareness of corporate social responsibility issues is also beginning to play a major factor in purchasing and procurement decisions.

“Generally, there’s a belief that most organisations need to do something, and these fall into three categories: Those who are leading edge and who are already starting to do it, and appreciate that it is not something that happens overnight, that it is a journey that can quite often take two to three years; There are those that know something’s got to be done, but are still trying to figure out what precisely and I think it comes down to some confusion in the market place, of what sorts of things lead to reducing carbon footprint,” he said. “The third group acknowledged that there’s an expectation that they do something, but they’ll get around to it someday – those are the ones who will be in for the biggest shock because I suspect that socially, there’s going to be a lot of pressure over the next couple of years and certainly, when I talk to banks for example, they are painfully aware that they will lose customers if customers see them as non-green.”

ANOTHER Y2K? Despite these factors, there continues to be some resistance in the market.

“There are some that think this is the next Y2K,” MacDonald said. “Y2K was an interesting challenge and there are people out there that feel the IT industry as a whole beat up the whole Y2K question substantially and that the problem never existed.”

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- **Meet Brett O’Riley and Angus MacDonald at:
CommsDay Melbourne Congress, 31 Sept – 01 Oct, Langham Hotel, South Bank**
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IBM offers consultancy based on ‘green’ Sigma Six principles

Big Green has taken the principles behind the Sigma Six concept for operational efficiency and applied it to help corporations implement their environmental strategy.

“There’s a fundamental truth to understanding and improving any aspect of a company’s performance – if you can’t measure it, you can’t manage it.” said Dave Lubowe, global leader of IBM’s operations strategy consulting practice. “This applies as much to a company’s energy and water consumption as it does to anything else, and our new offering can help clients apply this principle to make their businesses greener.”

IBM’s trademarked Green Sigma consulting offering takes a cue from the Lean Six Sigma, a business strategy for analyzing and improving business operations.

The new offering aims to help corporations apply the same principles to their energy and water management strategies, including optimisation of transportation systems, datacenters and IT systems, manufacturing and distribution centers, office facilities, retail space, research and development sites, IBM said.

IBM’s own conservation efforts have saved 4.6 billion kWh of electricity and \$310 million in costs, and avoided over three million metric tons of CO2 emissions since 1990, the company said. In addition, the company says its work-at-home program for employees saves roughly eight million gallons of gasoline annually.

FIVE PHASE APPROACH: Green Sigma will help corporations manage and reduce carbon emissions and water wastage, reduce energy consumption and associated costs, leverage advanced analytical techniques to measure the corporate carbon and water footprint, as well as increase profit through activities such as carbon trading.

Under the Green Sigma program, corporations are guided through a five phase implementation program, including the establishment of KPIs, identifying areas for measurement and a facilities management plan, the use of IBM’s carbon and water management dashboard, the application of Green Sigma statistical tools for analysis and process improvement, and the creation of ongoing process optimisation strategies.

Last but not least...

US DATA CENTRE SLATED FOR PLATINUM GREEN BUILDING RATING: US data centre operator, Advanced Data Centres, claims to be the first company to achieve the highest rating under the US Green Building Council’s LEED (Leadership in Energy and Environmental Design) program. The facility will be built on a redeveloped airforce base. Achievements as part of the rating include the capture and reuse of 100% of the rainwater runoff, the use of natural air cooling for 75% of the time, the recycling of 95% of the materials in the refurbishment of the facility, the elimination of toxic chemicals during construction, and the use of daylight for lighting.

EQUINIX JOINS EPA ENERGY STAR INITIATIVE FOR DATA CENTRES: Global exchange centre operator, Equinix, has joined the US EPA’s program to study the feasibility of establishing an ENERGY STAR rating program for green data centres. Equinix’s participation in the program will include the collection of 12 consecutive months of IT and data center energy use data from June 2008 through June 2009 from a sampling of its US Internet Business Exchange centers. 150 data centre operators, including AT&T – as reported by Green Telecom, have signed up for the study.

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DAY 1 30 Sep: Broadband Futures

National FTTN, HSPA, WiMAX and more

Australian broadband is entering the high-octane age.

This provocative day examines the challenges and opportunities of a new era.

How will telcos approach wholesale in the NBN age?

What is the roadmap for wireless broadband and what disruptive forces lie ahead?

What is the view from policymakers on their likely approach to NBN?

How can technologies such as Ethernet-over-copper, Dynamic Spectrum Management and VDSL2 bridge the path to a fibre future?

Integration vs structural separation—have the separationists got a case?

DAY 2 1 Oct: Green Telecom Asia Pacific

Using telecoms to promote a sustainable economy

Telecommunications can play an important role in promoting green policy

But good green practice can also save money from a telco's cost base

How can reduced carbon use help telcos reduce their costs?

Can green practice be fashioned into a marketing advantage?

What are the legal and compliance challenges for green telcos?

How can telecoms technologies be leveraged to promote community green goals?

What alternative energy sources can telcos harness?

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DAY 1 Tues 30 Sep: Broadband Futures agenda

9am-10.40am MORNING KEYNOTES

9am Telstra Wholesale GMD Kate McKenzie • 9.25 Axia NetMedia CEO Art Price [International speaker] • 9.50 Concept Economics chairman Dr Henry Ergas • 10.15 Hatteras Networks CEO Kevin Sheehan [International speaker] • 10.40 Break

11am-12.40pm THE STATUS QUO AND THE FUTURE OF THE FIXED NETWORK

11am Shadow Communications Minister Bruce Billson • 11.20 Epiro Technologies MD Michael Cranna—An Australian Broadband Performance Audit • 11.40 Corning FTTX global team leader Peter Ballhausen [International Speaker] – International FTTH developments • 12 Juniper consulting systems engineer Ben Hickey – Offering Innovative Broadband in a Multi-stakeholder environment • 12.20 Huawei director of AP network marketing John Zhao • 12.40 HUAWEI Lunch

2pm-3.20pm THE GREAT DEBATE: POLICY IN THE NBN AGE

2pm Baker & McKenzie partner James Halliday—Strategic NBN initiatives in Singapore, Malaysia and Australia • 2.20 Primus CEO Ravi Bhatia • 2.35 Optus director of government and corporate affairs Maha Krishnapillai • 2.50 Telstra regulatory director Tony Warren • 3.05 Panel discussion including consultant Kevin Morgan and CommsDay publisher Grahame Lynch • 3.35 Break

3.50pm-5.30pm THE WIRELESS BROADBAND OPPORTUNITY

3.50pm Ovum consultant Craig Skinner – wireless broadband developments • 4.10 Qualcomm Australia/NZ country manager Robert Hart – The mobile broadband roadmap • 4.30 Hutchison head mobile broadband Klass Raaijmakers • 4.50 Galbraith & Company CEO Simon Curry – the personal mobile broadband endgame • 5.10 Ericsson multi media strategic marketing manager Kurstein Leins • 5.30 HATTERAS NETWORKS Cocktails at the Langham Hotel

DAY 2 Wed 1 Oct: Green Telecom agenda

9:00-10:30am MORNING PLENARY

9am Telstra executive director, innovation projects for digital future Chloe Munro • 9.25 BT Global Services head of CSR Janet Blake [International speaker] • 9.50 BearingPoint practice leader, technology infrastructure group Barrie Williams • 10.15 Ochre Services CEO Brett O'Riley • 10.35 Break

10:50-12:30 THE GREEN INFRASTRUCTURE SYMPOSIUM

10.50 PANEL – managing the data deluge: Cisco environmental spokesman Anthony Wright, Nortel product and solutions marketing director Phil Goldie • 11.20 PANEL - next-gen data centre design: Metronode MD Malcolm Roe, Macquarie Telecom MD Hosting Aidan Tudehope, Brocade ANZ country manager Graham Schultz • 11.50 PANEL – achieving network sustainability: Nokia Siemens Network industry marketing director, Marko Lius, Optus environmental affairs manager Brent Gerstle • 12.10 • Alcatel Lucent – cooling down hot DCs • 12.30 ALCATEL-LUCENT Lunch

2:00-3:20 THE GREEN TELCO BUSINESS SYMPOSIUM

2pm Mallesons Stephen Jaques M&A partner Louis Chiam – effect of sustainability on the telecoms industry • 2.20 Sun AP CTO Angus MacDonald – the challenges and benefits of environmental reporting • 2.40 KPMG director Bob Hayward – a holistic view towards sustainability • Nortel product and solutions marketing director Phil Goldie – vendor and customer perspective on going green • 3 Huawei director of Asia Pac CTO office Vincent Michael Paul Boudvill • 3.20 Break

3:40-5:10 GREEN TELCO OPPORTUNITIES

3.40pm M2 Telecommunications CEO Vaughan Bowen – case study: Green Mobiles • 4 Tandberg ANZ CM – growth trends of video communications • 4.20 Ericsson principal consultant Bruce McCole – green aspirations vs green realities – a look beyond green technology to investment decisions, operational and social responsibility issues faced by operators today. • 4.40 THE BIG PANEL – how the government's carbon cap and trade policy will impact the telecoms industry 5.10 CLOSE

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